

**LYON COUNTY, KANSAS**

Emporia, Kansas

**FINANCIAL STATEMENT  
AND  
INDEPENDENT AUDITOR'S REPORT**

December 31, 2014

**Lyon County, Kansas**

**TABLE OF CONTENTS**  
Year ended December 31, 2014

	<u>Statements</u>	<u>Page</u>
<b>Independent Auditor's Report</b>		1
<b>Financial Statement</b>		
Summary Statement of Receipts, Expenditures and Unencumbered Cash – Regulatory Basis	1	3
<b>Notes to Financial Statement</b>		7
<b>Supplementary Information</b>		
	<u>Schedule</u>	
Summary of Expenditures – Actual and Budget	1	15
Schedule of Receipts & Expenditures – Actual & Budget		
General Fund	2a	16
Special Purpose Funds		
Road and Bridge	2b	23
Community Corrections	2c	24
Cert Grant	2d	25
Court Trustee	2e	26
Juvenile Community Initiative Grant	2f	27
Multi-Year Capital Improvement	2g	28
Citizens Review Board	2h	29
911 Service	2i	30
Mental Health	2j	31
Newman Hospital	2k	32
Noxious Weed	2l	33
Hetlinger Developmental Center	2m	34
Special Bridge	2n	35
Register of Deeds Technology	2o	36
County Auto Vehicle	2p	37
Prosecutor Training	2q	38
Special Road and Bridge 559A	2r	39
Tort Liability	2s	40
Special Alcohol	2t	41
Special Parks	2u	42
Health Department	2v	43
Surveillance Program	2w	44
Drug Tax Law Enforcement	2x	45
Special Law Enforcement	2y	46
Special Prosecutor Forfeiture	2z	47
Diversionary Service Fees	2aa	48
Worthless Checks	2bb	49
Federal Forfeiture	2cc	50
G.O. Bond and Interest	2dd	51
Agency Funds	3	52
Lyon County Free Fair	4	53
Lyon County Extension Council	4	54
Schedule of Expenditures of Federal Awards		55

Notes to Schedule of Expenditures of Federal Awards	56
Special Reports	
Independent Auditor's Report on internal control over financial reporting and on compliance and other matters based on an audit of the financial statements performed in accordance with <i>Government Auditing Standards</i>	58
Independent Auditor's Report on compliance with requirements that could have a direct and material effect on each major program and on internal control over compliance in accordance with OMB Circular A-133	59
Schedule of Findings and Questioned Costs	61

## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

County Commissioners  
Lyon County, Kansas  
Emporia, Kansas

### Report on the Financial Statements

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Lyon County, Kansas, and related municipal entities as and for the year ended December 31, 2014 and the related notes to the financial statement.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note C to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinions

#### *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles*

As described in Note C of the financial statement, the financial statement is prepared by the Lyon County to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note C and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted accounting Principles***

In our opinion, because of the significance of the matter discussed in the "Basis of Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Lyon County as of December 31, 2014, or changes in financial position and cash flows thereof for the year then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the Lyon County as of December 31, 2014, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note C.

***Other Matters******Report on Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditure-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures-agency funds and related municipal entity schedule of receipts and expenditures - actual (Schedules 1, 2, 3, and 4 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however they are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note C.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 29, 2015, on our consideration of Lyon County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lyon County's internal control over financial reporting and compliance.

***Prior Year Comparative***

The 2013 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures - actual and budget (Schedule 2 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2014 basic financial statement upon which we have rendered an unmodified opinion dated May 29, 2015. The 2013 basic financial statement and our accompanying report are not presented herein, but available in electronic form from the web site of the Kansas Department of Administration at the following link <http://da.ks.gov/ar/muniserv/>. Such 2013 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2013 basic financial statement. The 2013 comparative information was subjected to the auditing procedures applied in the audit of the 2013 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2013 basic financial statement or to the basic financial statements itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2013 comparative information is fairly stated in all material respects in relation to the 2013 basic financial statement as a whole, on the basis of accounting described in Note C.



Agler & Gaeddert, Chartered  
May 29, 2015

**Lyon County, Kansas**

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES  
AND UNENCUMBERED CASH  
REGULATORY BASIS  
For the Year Ended December 31, 2014

	<b>Beginning Unencumbered Cash Balance</b>	<b>Prior Year Cancelled Encumbrances</b>
<b>Governmental type funds</b>		
<b>General fund</b>	\$ 2,239,063	\$ 15,077
<b>Special purpose funds</b>		
Road and bridge	1,125,445	25,786
Community corrections	86,229	0
Cert grant	2,283	0
Court trustee	53,983	0
Juvenile community initiative grant	(3,838)	0
Multi-year capital improvement	116,697	1,284
Citizens review board	8,734	0
911 service	52,502	0
Mental health	16,463	0
Newman Hospital	22,254	0
Noxious weed	16,476	0
Hetlinger developmental center	961	0
Special bridge	211,512	26,192
Register of deeds technology	418	0
County auto vehicle	(19,729)	0
Prosecutor training	8,635	0
Special road and bridge 559A	53,360	0
Tort liability	26,224	0
Special alcohol	20,959	0
Special parks	4,533	0
Health department	17,917	0
Surveillance program	12,111	0
Drug tax law enforcement	5,036	0
Special law enforcement	21,145	0
Special prosecutor forfeiture	2,809	0
Diversionary service fees	57,934	0
Worthless checks	730	0
Federal forfeiture	32,476	0
<b>Bond and interest funds</b>		
G.O. bond and interest	22	0
 Total primary government	 4,193,344	 68,339

The notes to the financial statements are an integral part of this statement.

**Statement 1**

<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Outstanding Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
\$ 11,810,646	\$ 12,912,101	\$ 1,152,685	\$ 656,518	\$ 1,809,203
6,230,258	5,598,831	1,782,658	544,439	2,327,097
387,462	395,066	78,625	15,040	93,665
800	1,611	1,472	0	1,472
82,608	25,221	111,370	943	112,313
414,391	408,026	2,527	15,531	18,058
2,462,686	2,263,485	317,182	1,300,450	1,617,632
16,213	12,535	12,412	559	12,971
0	10,846	41,656	128	41,784
322,264	325,000	13,727	0	13,727
437,599	425,000	34,853	0	34,853
367,916	334,547	49,845	5,484	55,329
19,537	20,000	498	0	498
433,255	617,461	53,498	269,422	322,920
47,802	39,649	8,571	495	9,066
282,733	215,717	47,287	9,989	57,276
6,215	5,910	8,940	0	8,940
366,693	342,926	77,127	0	77,127
296,206	218,012	104,418	0	104,418
1,714	0	22,673	0	22,673
0	0	4,533	0	4,533
575,730	580,000	13,647	0	13,647
24,000	21,633	14,478	1,275	15,753
2,166	461	6,741	0	6,741
12,546	8,591	25,100	340	25,440
5,128	1,750	6,187	0	6,187
75,733	89,851	43,816	5,650	49,466
10	0	740	0	740
2	4,363	28,115	0	28,115
<u>0</u>	<u>22</u>	<u>0</u>	<u>0</u>	<u>0</u>
24,682,313	24,878,615	4,065,381	2,826,263	6,891,644

**Lyon County, Kansas**

**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES  
AND UNENCUMBERED CASH  
REGULATORY BASIS  
For the Year Ended December 31, 2014**

	<b>Beginning Unencumbered Cash Balance</b>	<b>Prior Year Cancelled Encumbrances</b>
<b>Related Municipal Entities</b>		
Lyon County Free Fair	\$ 145,483	\$ 0
Lyon County Extension Council	<u>174,190</u>	<u>0</u>
Total reporting entity (excluding agency funds)	\$ <u>4,513,017</u>	\$ <u>68,339</u>

The notes to the financial statements are an integral part of this statement.



**Statement 1**

<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Outstanding Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
\$ 0	\$ 0	\$ 145,483	\$ 875	\$ 146,358
<u>364,537</u>	<u>342,655</u>	<u>196,072</u>	<u>0</u>	<u>196,072</u>
<u>\$ 25,046,850</u>	<u>\$ 25,221,270</u>	<u>\$ 4,406,936</u>	<u>\$ 2,827,138</u>	<u>\$ 7,234,074</u>

**Composition of ending cash and investments**

<b>Cash on hand</b>	\$ 357,573
<b>Demand deposits</b>	
ESB Financial	3,876,174
<b>Time deposits</b>	
Hartford State Bank	2,200,000
Kansas Land Bank	1,500,000
Olpe State Bank	1,771,000
<b>Investments</b>	
Kansas Municipal Investment Pool	<u>20,354,997</u>
	30,059,744

**Other entities**

Employee benefit	1,383
Law Library	94,895
District Court	59,993
Detention Center	94,895
Fair Board	146,358
Extension Council	<u>196,072</u>
Total cash and investments	30,653,340
Agency funds per Schedule 3	<u>(23,419,266)</u>
<b>Total reporting entity (excluding agency funds)</b>	<u>\$ 7,234,074</u>

## **Lyon County, Kansas**

### **NOTES TO FINANCIAL STATEMENT**

December 31, 2014

#### **NOTE A. MUNICIPAL REPORTING ENTITY**

Lyon County is a municipal corporation governed by a three member commission. This regulatory financial statement presents Lyon County (the municipality) and its related municipal entities. The related municipal entities are included in the County's reporting entity because they were established to benefit the County and/or its constituents.

1. The Lyon County Fair Board promotes urban/rural relations through the staging of an annual agricultural fair. The County is represented on the Fair Board and has primary responsibility for funding operations and capital improvements. The County appropriated \$55,000 to the Fair Board in 2014.

2. The Lyon County Extension Council serves the citizens within the County's jurisdiction. The Extension Council is not a separate taxing entity. The County levies tax for the Extension Council's operations. The County appropriated \$263,900 to the Extension Council in 2014.

3. Although the Law Library is an independent entity, the Law Library is required by state statutes to be audited as part of the County's audit. Since the Clerk of the District Court maintains the accounting for the Law Library, the financial statements are included as an agency fund.

4. Newman Regional Health Hospital was organized to provide a not-for-profit health care facility for local residents. The Commissioners appoint the trustees however the County does not maintain oversight with respect to the performance of the trustees. The financial statement is not included in the County's financial statements. Separately audited financial statements are issued by the Hospital.

5. The County appropriates and distributes tax monies to these organizations. They are not included in the County's financial statements:

Mental Health	Corner House, Inc.
Hetlinger Development Center	Emporia Public Library
Historical Society	Soil Conservation
Flint Hills Community Health Care Center, Inc.	

#### **NOTE B. REGULATORY BASIS FUND TYPES**

The accounts of the County are organized and operated on the basis of funds. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The County potential could have the following types of funds.

**General Fund** – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

**Special Purpose Funds** – used to account for the proceeds of specific tax levies and other specific revenues sources (other than Capital Project and tax levies for long-term debt) that are intended for specific purposes.

**Bond and Interest Fund** – used to account for the accumulation of resources, including tax levies, transfers from other funds and used to make payments of general long-term debt.

**Capital Project Fund** – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment. The County did not have any funds of this type in year ended December 31, 2014.

## **Lyon County, Kansas**

### **NOTES TO FINANCIAL STATEMENT**

December 31, 2014

#### **NOTE B. REGULATORY BASIS FUND TYPES - continued**

**Business Fund** – funds financed in whole or part by fees charged to users of goods or services (i.e. enterprise and internal service funds etc.). The County did not have any funds of this type in year ended December 31, 2014.

**Trust Fund** – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipality reporting entity scholarship funds, etc). The County did not have any funds of this type in year ended December 31, 2014.

**Agency Fund** – funds used to report assets held by the municipal reporting entity in purely a custodial capacity (payroll clearing fund, county tax collection accounts, etc.).

#### **NOTE C. BASIS OF ACCOUNTING**

*Regulatory Basis of Accounting and departure from Accounting Principles Generally Accepted in the United States of America* - The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligations against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt assignment to a fund, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than mentioned above.

Lyon County, Kansas has approved a resolution that it is in compliance with K.S.A. 75-1120a (c) waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

#### **NOTE D. BUDGETARY INFORMATION**

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5<sup>th</sup> of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were budget amendments this year for Road and Bridge and Multi-year Capital Improvement Funds.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

**Lyon County, Kansas**

**NOTES TO FINANCIAL STATEMENT**

December 31, 2014

**NOTE D. BUDGETARY INFORMATION - continued**

**Adjustment for Qualifying Budget Credits** – Municipalities may use this line item for any budgeted fund. The adjustment would be a positive amount. All budget adjustments must be authorized by Kansas statutes. Examples include: expenditure of federal grant monies, gifts and donations, and receipts authorized by law to be spent as if they were reimbursed expenses.

All legal annual operating budgets are prepared using the regulatory basis of accounting in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for the following special purpose funds:

Drug Tax Law Enforcement	Special Law Enforcement	Special Prosecutor Forfeiture
Diversionary Service Fees	Worthless Checks	Federal Forfeiture
G.O. Bond and Interest	Lyon County Free Fair	Lyon County Extension Council

Spending in funds which are not subject to the legal annual operating budget requirements is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing board.

**NOTE E. CASH AND INVESTMENTS**

K.S.A. 9-1401 establishes the depositories which may be used by the County. The statute requires banks eligible to hold the County's funds have a main or branch bank in the county or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the bank to pledge securities for deposits in excess of FDIC coverage. The County has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the County's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. Government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The County has no investment policy that would further limit its investment choices. The County rates investments (if any) as noted.

As of December 31, 2014, the County had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in years)		Rating
		Less than 1	1 to 2	
Kansas Municipal Investment Pool	\$ <u>20,354,997</u>	\$ <u>20,354,997</u>	\$ 0	S&P AAAf/S1+

*Concentration of credit risk* - State statutes place no limit on the amount the County may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The County has no investments other than money markets and certificates of deposit.

*Custodial credit risk – deposits*: Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. State statutes require the County's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. There were no designated "peak periods" during the year. All bank deposits were legally secured at December 31, 2014.

**Lyon County, Kansas**

**NOTES TO FINANCIAL STATEMENT**

December 31, 2014

**NOTE E. CASH AND INVESTMENTS – continued**

At December 31, 2014, the carrying amount of the County's bank deposits was \$30,310,910 which includes petty cash funds and investment in Kansas Municipal Investment Pool of \$20,354,997 and the bank balance was \$8,168,550 which does not include the Kansas Municipal Investment Pool of \$20,354,997. The difference between carrying amount and bank balance is outstanding checks and deposits. The bank balance was held by six banks which reduces concentration of credit risk. Of the bank balance, \$1,265,561 was covered by federal depository insurance, and \$6,902,989 was collateralized with securities held by the pledging financial institution's agents in the County's name.

At December 31, 2014, the carrying amount of the Related Municipal Entities bank deposits was \$342,430 and the bank balance was \$404,150. The difference between carrying amount and bank balance is outstanding checks and deposits. The bank balance was held by two banks which reduces concentration of credit risk. Of the bank balance, \$404,150 was covered by federal depository insurance.

*Custodial credit risk – investments:* For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments be adequately secured. The County's investments at year end were adequately secured.

**NOTE F. LONG-TERM DEBT**

The County has no long-term debt or leases as of December 31, 2014.

The debt limit per K.S.A. 10-306 is three percent of the assessed tangible valuation for exempt farm property, business aircraft and motor vehicles given by the County Appraiser to the County Clerk on June 15 each year. At December 31, 2014, the statutory limit for the County was in excess of \$8,070,757 providing a debt margin of \$8,070,757.

*Conduit Debt Obligations:* To provide for the purpose of acquiring, constructing and equipping a medical office facility, the County issued Hospital Facility Revenue Bonds under K.S.A. 19-4601 for Newman Memorial Hospital. These bonds are obligations of Newman Memorial Hospital, payable solely from the revenues of the hospital. The bonds do not constitute a debt or pledge of the faith or credit of Lyon County, Kansas and accordingly have not been reported in the accompanying financial statements

**NOTE G. INTERFUND TRANSFERS**

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
Bond & Interest	General		4
General	Health Department		17,000
General	Tort Liability		104,000
General	Divisionary Services Fees		24,000
General	Hetlinger Developmental Center		500
General	Register of Deeds		17,000
No Fund Warrants	General		22

## **Lyon County, Kansas**

### **NOTES TO FINANCIAL STATEMENT**

December 31, 2014

#### **NOTE H. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS**

##### *Other Post Employment Benefits:*

As provided by K.S.A. 12-5040, the County allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the County is subsidizing the retiree's health insurance plan because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (CORBA), the County makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

##### *Other Post Employment Benefit - continued:*

The County offers its employees a deferred compensation plan created in accordance with the Internal Revenue Service Code Section 457. The plans are available to all County employees. The Plans permit employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, of unforeseeable emergency. Plan assets are transferred to a plan agent in a custodial trust and are not available to the claims of the County's general creditors.

The County has adopted by resolution a salary-reduction flexible benefit plan ("Plan") under Section 125 of the Internal Revenue Service Code. All employees of the County working 20 or more hours per week are eligible to participate in the plan beginning the first day of a pay period following coincidental with an employee's satisfaction of eligibility requirements of any Optional Benefit Plan. Each participant may elect to reduce his or her salary, subject to the limitations of the Individual Optional Benefit plans, to purchase benefits offered through the Plan. All benefits offered through the plan involve insurance coverage, dependent care reimbursements and health expense reimbursements.

##### *Compensated Absences:*

Vacation leave with pay is granted to all appointed officials, to all full-time employees, and to regular part-time employees. Vacation leave is earned and accrued from the most recent date of employment under the conditions and at the rate hereinafter stated. Vacation leave must be taken no later than December 31 of the calendar year following the year in which it is earned, or the vacation leave is lost. On January 1 of each year the amount of posted vacation may not exceed the annual maximum vacation leave earned by the employee based on length of service.

Vacation leave accumulates from the beginning of the month in which employment starts if employment begins on or before the 15<sup>th</sup> of the month. If employment begins after the 15<sup>th</sup> of the month, leave accumulates from the first of the following month. Upon separation, vacation leave accumulates for the last month of work if separation occurs after the 15<sup>th</sup> of that month.

Any employee who separates is compensated on the last paycheck for accumulated vacation leave. In the event of the death of an employee, the accumulated vacation leave will be paid to the deceased employee's estate.

	<b>Balance January 1, 2014</b>	<b>Net Change</b>	<b>Balance December 31, 2014</b>
Compensated absences	\$ <u>1,032,498</u>	\$ <u>174,535</u>	\$ <u>1,207,033</u>

Vacation leave for regular part-time employees is pro-rata based upon hours worked.

The sick leave year is January 1 through December 31. Sick leave is earned and accrued from the most recent date of employment under the conditions and at the rate hereinafter stated. Sick leave not taken during the year in which it is earned accumulates to the credit of the employee up to a maximum of sixty days (480 hours) of accrued sick leave.

## **Lyon County, Kansas**

### **NOTES TO FINANCIAL STATEMENT**

December 31, 2014

#### **NOTE H. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS - continued**

When an employee reaches the sixty day maximum, additional hours of earned sick leave not used by the employee during the year is paid to the employee at his or her current regular rate of pay at year end. Current year expense was \$111,526.

Sick leave is earned at the following rates: Eight hours per month for full-time employees; for regular part-time employees the same portion of eight hours per month as the proportion of regularly scheduled hours per week to forty hours per week. No sick leave is accumulated by temporary, part-time employees or elected officials. Temporary employees who are reclassified to full-time or to regular part-time employees shall accrue sick leave from the effective date of the employment change in accordance with the rules set forth above about the fifteenth of the month.

Upon separation, sick leave in excess of thirty days but less than or equal to sixty days is paid to the employee using the employee's current regular rate of pay. Sick leave up to the thirty days is lost.

The County maintains a sick leave pool. This pool is a means to transfer vacation, and sick leave to an employee experiencing a catastrophic, extreme or life-threatening condition.

#### **NOTE I. DEFINED BENEFIT PENSION PLAN**

*Plan description* - The County participates in the Kansas Public Employees Retirement System (KPERS) which is a cost-sharing multiple-employer defined benefit pension plan as provided by Kansas law. KPERS provides retirement benefits, life insurance, disability income benefits and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S Kansas, Suite 100, Topeka, Kansas 66603) or by calling 1-888-275-5737.

*Funding policy* - KSA 74-4919 and K.S.A. 74-4921 establish the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is Tier 1 or Tier 2 member. The Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate at 5% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7% of covered salary. the employer collects and remits member-employee contributions according to the provisions of Section 414(h) of the Internal Revenue Code. Kansas law provides that employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS and KP&F are funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates.

*Net Pension Liability* - The total pension liability for KPERS was determined by an actuarial valuation as of December 31, 2013, which was rolled forward to June 30, 2014. As of June 30, 2014 the net pension liability for KPERS was \$8,291,794,910. KPERS has not determined the Municipality's proportionate share of the net pension liability as of June 30, 2014. The complete actuarial valuation report including all actuarial assumptions and methods is publically available on the website at [www.kpers.org](http://www.kpers.org) or can be obtained as described in the first paragraph above.

#### **NOTE J. RISK MANAGEMENT**

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance. Settlement of claims has not exceeded commercial insurance coverage in any of the last three fiscal years.

## **Lyon County, Kansas**

### **NOTES TO FINANCIAL STATEMENT**

December 31, 2014

#### **NOTE K. LANDFILL**

State and federal laws and regulations require the City of Emporia to place a final cover on its landfill site which was closed during 1994 and to perform certain maintenance and monitoring activities at the site for ten years after closure. The County has contributed one-half to the closure costs of the landfill that was operated by the City of Emporia.

#### **NOTE L. CONTINGENT LIABILITIES**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected may constitute a liability of the applicable fund. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amount, if any, to be immaterial.

#### **NOTE M. OTHER INFORMATION**

*Reimbursed Expenses:* The County records reimbursable expenditures in the fund that makes the disbursement and records reimbursement as revenue in the same fund. For purposes of budgetary comparisons, the reimbursements are shown as adjustments for qualifying budget credits.

*Compliance with Kansas Statutes:* References made herein to the statutes are not intended as interpretations of law, but are offered for consideration of the State Director of Accounts and Reports and interpretation by the legal representative of the municipality.

The County has exceeded budget in the following funds: Community Corrections (which receives grants with a year end of June 30 and which grant funds are available to cover the deficit.) and Juvenile Community Initiative Grant (which receives grants with a year end of June 30 and which grant funds are available to cover the deficit.). The County is not aware of any other violations.

*Trust Fund:* The Emporia Community Foundation, Inc. (a not-for-profit organization) has received contributions for the benefit of Lyon County Fair Board. The contributions and earnings are held in trust and managed by Emporia Community Foundation, Inc., trustee. Under the terms of the trust, Lyon County Fair Board may request use of the original contributions and earnings. Per guidance from Emporia Community Foundation, Inc., Lyon County Fair Board will not record these contributions and earnings there on until requested and received by the Lyon County Fair Board.

#### **NOTE O. RESTATEMENT OF UNENCUMBERED CASH**

As shown below the general fund unencumbered cash balance has been restated to remove the detention center from the general fund as of December 31, 2013 and report as an agency fund.

Unencumbered cash balance, January 1, 2013	\$ 2,424,509
Adjustment to remove detention center	<u>(82,124)</u>
Unencumbered cash balance, January 1, 2013 restated	2,342,385
Adjustment to remove detention center	<u>(103,322)</u>
Unencumbered cash, December 31, 2013	\$ <u><u>2,239,063</u></u>

#### **NOTE P. SUBSEQUENT EVENTS**

*Subsequent Events:* The County evaluated subsequent events through May 29, 2015 the date the financial statements were available to be issued. No subsequent events were identified which require disclosure.



REGULATORY BASIS  
SUPPLEMENTARY INFORMATION

**Lyon County, Kansas**

**Schedule 1**

**SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended December 31, 2014

	<u>Certified Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget For Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance - Over (Under)</u>
<b>Governmental type funds</b>					
<b>General fund</b>	\$ 13,125,747	\$ 0	\$ 13,125,747	\$ 12,912,101	\$ (213,646)
<b>Special purpose funds</b>					
Road and bridge	6,397,364	0	6,397,364	5,598,831	(798,533)
Community corrections	351,495	30,748	382,243	395,066	12,823
Cert grant	3,029	0	3,029	1,611	(1,418)
Court trustee	62,578	0	62,578	25,221	(37,357)
Juvenile community initiative grant	398,569	348	398,917	408,026	9,109
Multi-year capital improvement	2,431,520	0	2,431,520	2,263,485	(168,035)
Citizens review board	16,500	0	16,500	12,535	(3,965)
911 service	26,200	0	26,200	10,846	(15,354)
Mental health	325,000	0	325,000	325,000	0
Newman Hospital	425,000	0	425,000	425,000	0
Noxious weed	312,245	46,637	358,882	334,547	(24,335)
Hetlinger developmental center	20,000	0	20,000	20,000	0
Special bridge	671,719	0	671,719	617,461	(54,258)
Register of deeds technology	50,000	0	50,000	39,649	(10,351)
County auto vehicle	237,338	0	237,338	215,717	(21,621)
Prosecutor training	6,000	0	6,000	5,910	(90)
Special road and bridge 559A	346,000	0	346,000	342,926	(3,074)
Tort liability	280,000	0	280,000	218,012	(61,988)
Special alcohol	15,000	0	15,000	0	(15,000)
Special parks	4,533	0	4,533	0	(4,533)
Health department	580,000	0	580,000	580,000	0
Surveillance Program	24,000	0	24,000	21,633	(2,367)

See Independent Auditor's Report.

**Lyon County, Kansas**

**Schedule 2a**

**GENERAL FUND**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		<b>2014</b>		<b>Variance - Over (Under)</b>
	<b>2013 Actual</b>	<b>Actual</b>	<b>Budget</b>	
<b>Cash receipts</b>				
<b>Taxes</b>				
Ad valorem	\$ 7,298,455	\$ 7,887,541	\$ 7,823,979	\$ 63,562
Delinquent	111,175	148,637	100,000	48,637
Motor vehicle	772,954	817,278	835,265	(17,987)
Recreational Vehicle Tax	10,927	11,364	11,326	38
Sales Tax	2,127,363	1,240,809	900,000	340,809
Mineral Tax	9,239	12,872	0	12,872
	<u>10,330,113</u>	<u>10,118,501</u>	<u>9,670,570</u>	<u>447,931</u>
<b>Intergovernmental</b>				
Federally owned land entitlement	12,795	13,692	12,000	1,692
Emergency mgmt/Cert/FEMA grant	20,910	6,970	27,880	(20,910)
Grant income	269,496	300,026	277,100	22,926
	<u>303,201</u>	<u>320,688</u>	<u>316,980</u>	<u>3,708</u>
<b>Licenses, fees and permits</b>				
Licenses	685	455	0	455
Mortgage registration fees	282,965	290,637	247,000	43,637
Financing statements	2,130	2,025	3,500	(1,475)
Officer fees	139,938	128,627	85,600	43,027
DNA/attorney/court fees	5,399	2,973	15,000	(12,027)
Fees for copies	7,389	6,883	6,000	883
Flint hills/aging service	42,955	47,350	30,000	17,350
Court witness fees	1,338	1,642	9,000	(7,358)
County wide zoning permits/changes	11,183	12,503	2,000	10,503
House arrest fees	912	236	3,500	(3,264)
Jail telephone lease receipts	23,822	18,292	20,000	(1,708)
Juvenile supervision fees	3,219	2,046	0	2,046
	<u>521,935</u>	<u>513,669</u>	<u>421,600</u>	<u>92,069</u>
<b>Charges for services</b>				
Prisoner care	223,031	233,336	200,000	33,336
Election lists/labels	70	170	0	170
Postage/advertising	4	0	0	0
	<u>223,105</u>	<u>233,506</u>	<u>200,000</u>	<u>33,506</u>
<b>Use of money and property</b>				
Interest and charges	105,068	191,699	125,000	66,699
Interest income on investments	15,198	11,302	0	11,302
Sale of fixed assets	9,069	46	0	46
	<u>129,335</u>	<u>203,047</u>	<u>125,000</u>	<u>78,047</u>

See Independent Auditor's Report.

**Lyon County, Kansas**

**Schedule 2a**

**GENERAL FUND**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	<b>2013 Actual</b>	<b>2014</b>		<b>Variance - Over (Under)</b>
		<b>Actual</b>	<b>Budget</b>	
<b>Cash receipts - continued</b>				
<b>Reimbursed expenses</b>				
Facilities reimbursed	\$ 20,333	\$ 25,095	\$ 103,530	\$ (78,435)
Reimbursed expenses	41,896	40,245	22,500	17,745
Sheriff reimb - drug/alcohol testing	815	680	0	680
Detention center	447	260	0	260
SS Fraud reward	0	200	0	200
Coroners reimbursement	6,576	5,818	0	5,818
Animal control reimbursement	1,200	1,400	0	1,400
	<u>71,267</u>	<u>73,698</u>	<u>126,030</u>	<u>(52,332)</u>
<b>Miscellaneous revenues</b>				
Misc rents/concessions/sale of fixed assets	61,361	73,745	45,000	28,745
Miscellaneous other	284,663	273,766	22,104	251,662
Detention center - other	0	0	40,000	(40,000)
	<u>346,024</u>	<u>347,511</u>	<u>107,104</u>	<u>240,407</u>
<b>Operating transfers in</b>	<u>0</u>	<u>26</u>	<u>51,500</u>	<u>(51,474)</u>
Total cash receipts	<u>11,924,980</u>	<u>11,810,646</u>	<u>\$ 11,018,784</u>	<u>\$ 791,862</u>
<b>Expenditures</b>				
<b>County commission</b>				
Salaries	169,250	177,686	\$ 175,005	\$ 2,681
Contractual	47,810	48,622	56,750	(8,128)
Commodities	273	0	1,600	(1,600)
	<u>217,333</u>	<u>226,308</u>	<u>233,355</u>	<u>(7,047)</u>
<b>County clerk</b>				
Salaries	221,398	212,696	239,541	(26,845)
Contractual	6,636	8,949	9,650	(701)
Commodities	2,417	1,808	3,000	(1,192)
Capital outlay	0	2,905	2,000	905
	<u>230,451</u>	<u>226,358</u>	<u>254,191</u>	<u>(27,833)</u>
<b>County treasurer</b>				
Salaries	149,735	177,824	194,774	(16,950)
Contractual	29,191	23,444	21,450	1,994
Commodities	7,699	5,222	12,335	(7,113)
	<u>186,625</u>	<u>206,490</u>	<u>228,559</u>	<u>(22,069)</u>

See Independent Auditor's Report.

**Lyon County, Kansas**

**Schedule 2a**

**GENERAL FUND**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

**For the Year Ended December 31, 2014**

**(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)**

	<b>2013 Actual</b>	<b>2014</b>		<b>Variance - Over (Under)</b>
		<b>Actual</b>	<b>Budget</b>	
<b>Expenditures - continued</b>				
<b>Register of deeds</b>				
Salaries	\$ 199,237	\$ 220,772	\$ 195,355	\$ 25,417
Contractual	6,480	7,387	12,240	(4,853)
Commodities	907	1,022	1,000	22
	<u>206,624</u>	<u>229,181</u>	<u>208,595</u>	<u>20,586</u>
<b>Human resources</b>				
Salaries	34,760	33,215	36,740	(3,525)
Contractual	902	3,800	1,850	1,950
Commodities	141	202	250	(48)
	<u>35,803</u>	<u>37,217</u>	<u>38,840</u>	<u>(1,623)</u>
<b>Juvenile services</b>				
Salaries	137,948	187,430	198,574	(11,144)
Contractual	87,789	118,266	115,225	3,041
Commodities	248	1,873	2,679	(806)
	<u>225,985</u>	<u>307,569</u>	<u>316,478</u>	<u>(8,909)</u>
<b>Finance, IT and Payroll</b>				
Salaries	158,016	214,580	163,459	51,121
Contractual	3,338	2,537	4,540	(2,003)
Commodities	646	539	2,500	(1,961)
	<u>162,000</u>	<u>217,656</u>	<u>170,499</u>	<u>47,157</u>
<b>County general</b>				
Contractual	276,053	260,896	36,500	224,396
Commodities	0	1,995	50,000	(48,005)
Miscellaneous	727	2,271	45,000	(42,729)
	<u>276,780</u>	<u>265,162</u>	<u>131,500</u>	<u>133,662</u>
<b>Direct election</b>				
Salaries	86,753	97,965	143,005	(45,040)
Contractual	18,607	52,941	85,000	(32,059)
Commodities	14,140	10,585	18,000	(7,415)
Capital outlay	734	0	0	0
	<u>120,234</u>	<u>161,491</u>	<u>246,005</u>	<u>(84,514)</u>
<b>Appraiser</b>				
Salaries	483,986	527,568	562,878	(35,310)
Contractual	88,030	78,310	86,800	(8,490)
Commodities	11,361	6,997	6,000	997
Capital outlay	21,644	3,746	0	3,746
	<u>605,021</u>	<u>616,621</u>	<u>655,678</u>	<u>(39,057)</u>

See Independent Auditor's Report.

**Lyon County, Kansas**

**Schedule 2a**

**GENERAL FUND**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		<b>2014</b>		
	<b>2013</b>			<b>Variance -</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Over</b>
				<b>(Under)</b>
<b>Expenditures - continued</b>				
<b>Administrative services</b>				
Salaries	\$ 0	\$ 0	\$ 20,000	\$ (20,000)
Contractual	33,890	37,040	10,000	27,040
Appropriation	0	0	37,040	(37,040)
	<u>33,890</u>	<u>37,040</u>	<u>67,040</u>	<u>(30,000)</u>
<b>Counselor/Court trustee</b>				
Salaries	146,012	167,104	135,673	31,431
Contractual	1,071	1,627	1,200	427
Commodities	169	207	200	7
	<u>147,252</u>	<u>168,938</u>	<u>137,073</u>	<u>31,865</u>
<b>Fair appropriations</b>				
Contractual	<u>53,000</u>	<u>55,000</u>	<u>55,000</u>	<u>0</u>
<b>Information technology</b>				
Salaries	118,517	129,571	124,569	5,002
Contractual	14,598	17,656	35,300	(17,644)
Commodities	2,291	2,958	6,500	(3,542)
Capital outlay	<u>6,177</u>	<u>10,517</u>	<u>6,000</u>	<u>4,517</u>
	<u>141,583</u>	<u>160,702</u>	<u>172,369</u>	<u>(11,667)</u>
<b>Employee benefit</b>				
Salaries	0	0	3,700	(3,700)
Contractual	0	0	160,000	(160,000)
Commodities	<u>668</u>	<u>219,840</u>	<u>200</u>	<u>219,640</u>
	<u>668</u>	<u>219,840</u>	<u>163,900</u>	<u>55,940</u>
<b>County attorney</b>				
Salaries	835,643	945,185	966,422	(21,237)
Contractual	116,455	73,050	51,500	21,550
Commodities	<u>15,313</u>	<u>20,715</u>	<u>17,000</u>	<u>3,715</u>
	<u>967,411</u>	<u>1,038,950</u>	<u>1,034,922</u>	<u>4,028</u>
<b>Unified court</b>				
Salaries	11,005	11,417	23,262	(11,845)
Contractual	374,748	388,405	476,450	(88,045)
Commodities	41,710	46,088	47,500	(1,412)
Capital outlay	<u>15,774</u>	<u>5,454</u>	<u>0</u>	<u>5,454</u>
	<u>443,237</u>	<u>451,364</u>	<u>547,212</u>	<u>(95,848)</u>

See Independent Auditor's Report.

**Lyon County, Kansas**

**Schedule 2a**

**GENERAL FUND**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	<b>2013 Actual</b>	<b>2014</b>		<b>Variance - Over (Under)</b>
		<b>Actual</b>	<b>Budget</b>	
<b>Expenditures - continued</b>				
<b>Emergency management</b>				
Salaries	\$ 100,490	\$ 106,429	\$ 107,604	\$ (1,175)
Contractual	19,351	8,667	17,100	(8,433)
Commodities	5,461	4,770	8,000	(3,230)
Capital outlay	1,228	0	0	0
	<u>126,530</u>	<u>119,866</u>	<u>132,704</u>	<u>(12,838)</u>
<b>Law enforcement</b>				
Salaries	2,121,215	2,167,386	2,304,275	(136,889)
Contractual	156,787	154,536	148,200	6,336
Commodities	175,394	167,534	188,000	(20,466)
Capital outlay	10,323	4,512	0	4,512
	<u>2,463,719</u>	<u>2,493,968</u>	<u>2,640,475</u>	<u>(146,507)</u>
<b>Jail management</b>				
Salaries	1,934,734	2,019,359	2,107,627	(88,268)
Contractual	145,117	164,587	134,950	29,637
Commodities	286,241	312,166	348,000	(35,834)
Capital outlay	0	3,693	0	3,693
	<u>2,366,092</u>	<u>2,499,805</u>	<u>2,590,577</u>	<u>(90,772)</u>
<b>Ambulance</b>				
Contractual	350,000	375,000	375,000	0
Capital outlay	37,500	0	0	0
	<u>387,500</u>	<u>375,000</u>	<u>375,000</u>	<u>0</u>
<b>911 Dispatch</b>				
Salaries	0	13,998	0	13,998
Contractual	0	7,340	0	7,340
	<u>0</u>	<u>21,338</u>	<u>0</u>	<u>21,338</u>
<b>Solid waste</b>				
Contractual	12,560	18,574	16,000	2,574
Commodities	32	0	100	(100)
	<u>12,592</u>	<u>18,574</u>	<u>16,100</u>	<u>2,474</u>
<b>County coroner</b>				
Contractual	61,736	63,256	66,950	(3,694)
	<u>61,736</u>	<u>63,256</u>	<u>66,950</u>	<u>(3,694)</u>

See Independent Auditor's Report.

**Lyon County, Kansas**

**Schedule 2a**

**GENERAL FUND**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		<b>2014</b>		<b>Variance - Over (Under)</b>
	<b>2013 Actual</b>	<b>Actual</b>	<b>Budget</b>	
<b>Expenditures - continued</b>				
<b>Extension council</b>				
Appropriations	\$ 263,900	\$ 263,900	\$ 263,900	\$ 0
<b>Soil conservation</b>				
Appropriations	27,000	27,000	27,000	0
<b>Household waste</b>				
Salaries	51,725	57,323	61,336	(4,013)
Contractual	27,915	27,777	31,250	(3,473)
Commodities	2,089	1,044	3,000	(1,956)
	81,729	86,144	95,586	(9,442)
<b>Department of aging</b>				
Salaries	72,725	81,545	76,360	5,185
Contractual	79,499	87,474	97,485	(10,011)
Commodities	1,613	997	1,950	(953)
	153,837	170,016	175,795	(5,779)
<b>Retired senior volunteer program</b>				
Salaries	51,877	53,602	54,500	(898)
Contractual	3,236	1,587	3,400	(1,813)
Commodities	1,818	2,003	1,520	483
	0	970	0	970
	56,931	58,162	59,420	(1,258)
<b>Mass transportation</b>				
Salaries	284,250	300,741	297,414	3,327
Contractual	92,502	98,203	148,142	(49,939)
Commodities	2,761	4,811	4,300	511
Capital Outlay	0	2,338	0	2,338
	379,513	406,093	449,856	(43,763)
<b>Historical society</b>				
Appropriations	100,000	100,000	100,000	0
<b>Fair board</b>				
Salaries	12,077	12,528	13,215	(687)
Contractual	50,855	62,670	47,050	15,620
Commodities	13,187	6,129	12,000	(5,871)
Capital outlay	4,662	0	0	0
	80,781	81,327	72,265	9,062

See Independent Auditor's Report.



**Lyon County, Kansas**

**Schedule 2a**

**GENERAL FUND**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2014  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)**

		<b>2014</b>		
	<b>2013</b>			<b>Variance -</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Over</b>
				<b>(Under)</b>
<b>Expenditures - continued</b>				
<b>Courthouse general</b>				
Salaries	\$ 37,891	\$ 40,286	\$ 41,455	\$ (1,169)
Contractual	93,826	75,322	88,500	(13,178)
Commodities	21,242	22,378	25,000	(2,622)
	<u>152,959</u>	<u>137,986</u>	<u>154,955</u>	<u>(16,969)</u>
<b>County facility management</b>				
Salaries	488,054	529,697	538,796	(9,099)
Contractual	616,534	598,542	605,301	(6,759)
Commodities	33,995	30,935	37,066	(6,131)
Capital outlay	69,991	4,586		4,586
	<u>1,208,574</u>	<u>1,163,760</u>	<u>1,181,163</u>	<u>(17,403)</u>
<b>County wide zoning</b>				
Salaries	48,303	50,110	49,235	875
Contractual	5,564	8,459	12,750	(4,291)
Commodities	459	1,111	800	311
Capital Outlay	0	1,839	0	1,839
	<u>54,326</u>	<u>61,519</u>	<u>62,785</u>	<u>(1,266)</u>
<b>Operating transfers out</b>	<u>0</u>	<u>138,500</u>	<u>0</u>	<u>138,500</u>
Total expenditures	<u>12,031,616</u>	<u>12,912,101</u>	<u>\$ 13,125,747</u>	<u>\$ (213,646)</u>
Cash receipts over (under) expenditures	(106,636)	(1,101,455)		
Unencumbered cash, January 1	2,342,385	2,239,063		
Prior year cancelled encumbrances	<u>3,314</u>	<u>15,077</u>		
Unencumbered cash, December 31	<u>\$ 2,239,063</u>	<u>\$ 1,152,685</u>		

See Independent Auditor's Report.

**Lyon County, Kansas**

**Schedule 2b**

**SPECIAL PURPOSE FUNDS  
ROAD AND BRIDGE**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		<b>2014</b>		
	<b>2013</b>			<b>Variance -</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Over</b>
				<b>(Under)</b>
<b>Cash receipts</b>				
Taxes	\$ 4,709,053	\$ 4,542,583	\$ 4,516,904	\$ 25,679
Intergovernmental	1,346,500	746,760	737,529	9,231
Special city & county highway	0	0	10,000	(10,000)
Reimbursed expenses	323,859	939,604	769,820	169,784
Miscellaneous	330	1,311	0	1,311
	<u>6,379,742</u>	<u>6,230,258</u>	<u>\$ 6,034,253</u>	<u>\$ 196,005</u>
<b>Expenditures</b>				
<b>Current</b>				
Salaries & employee benefits	2,413,638	2,509,170	\$ 2,771,504	\$ (262,334)
Contractual	295,773	527,173	273,450	253,723
Commodities	2,842,786	2,551,831	3,351,627	(799,796)
<b>Capital outlay</b>	<u>222,256</u>	<u>10,657</u>	<u>783</u>	<u>9,874</u>
	<u>5,774,453</u>	<u>5,598,831</u>	<u>\$ 6,397,364</u>	<u>\$ (798,533)</u>
Cash receipts over (under) expenditures	605,289	631,427		
Unencumbered cash, January 1	487,686	1,125,445		
Prior year cancelled encumbrances	<u>32,470</u>	<u>25,786</u>		
Unencumbered cash, December 31	<u>\$ 1,125,445</u>	<u>\$ 1,782,658</u>		

See Independent Auditor's Report.

**Lyon County, Kansas****Schedule 2c****SPECIAL PURPOSE FUNDS  
COMMUNITY CORRECTIONS****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	<b>2013</b>	<b>2014</b>		<b>Variance - Over (Under)</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	
<b>Cash receipts</b>				
Community corrections grant	\$ 380,335	\$ 356,714	\$ 368,654	\$ (11,940)
Charges for service	24,967	15,349	0	15,349
Licenses, fees and permits	15,483	14,482	0	14,482
Reimbursed expenses	526	917	0	917
Total cash receipts	421,311	387,462	\$ 368,654	\$ 18,808
<b>Expenditures</b>				
<b>Current</b>				
Adult administration grant	87,156	92,059	\$ 89,762	\$ 2,297
Adult intensive supervision grant	282,609	298,501	261,733	36,768
<b>Capital outlay</b>	4,151	4,506	0	4,506
Total expenditures	373,916	395,066	351,495	43,571
Adjustment for budget credits	0	0	30,748	(30,748)
Total expenditures and budget credits	373,916	395,066	\$ 382,243	\$ 12,823
Cash receipts over (under) expenditures	47,395	(7,604)		
Unencumbered cash, January 1	38,834	86,229		
Unencumbered cash, December 31	\$ 86,229	\$ 78,625		

See Independent Auditor's Report.

**Lyon County, Kansas****Schedule 2d****SPECIAL PURPOSE FUNDS  
CERT GRANT****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	<b>2013 Actual</b>	<b>2014</b>		<b>Variance - Over (Under)</b>
		<b>Actual</b>	<b>Budget</b>	
<b>Cash receipts</b>				
Grant	\$ 0	\$ 800	\$ 0	\$ 800
<b>Expenditures</b>				
<b>Current</b>				
Contractual	727	1,611	\$ 3,029	\$ (1,418)
Cash receipts over (under) expenditures	(727)	(811)		
Unencumbered cash, January 1	3,010	2,283		
Unencumbered cash, December 31	\$ 2,283	\$ 1,472		

See Independent Auditor's Report.

**Lyon County, Kansas****Schedule 2e****SPECIAL PURPOSE FUNDS  
COURT TRUSTEE****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	<b>2013 Actual</b>	<b>2014</b>		<b>Variance - Over (Under)</b>
		<b>Actual</b>	<b>Budget</b>	
<b>Cash receipts</b>				
Bail Forfeitures-transfer in	\$ 0	\$ 0	\$ 8,000	\$ (8,000)
Licenses, fees and permits	81,433	82,608	60,000	22,608
	<u>81,433</u>	<u>82,608</u>	<u>\$ 68,000</u>	<u>\$ 14,608</u>
<b>Expenditures</b>				
<b>Current</b>				
Salaries & employee benefits	36,021	23,829	\$ 54,578	\$ (30,749)
Contractual	389	549	6,000	(5,451)
Commodities	670	843	2,000	(1,157)
	<u>37,080</u>	<u>25,221</u>	<u>\$ 62,578</u>	<u>\$ (37,357)</u>
Cash receipts over (under) expenditures	44,353	57,387		
Unencumbered cash, January 1	<u>9,630</u>	<u>53,983</u>		
Unencumbered cash, December 31	<u>\$ 53,983</u>	<u>\$ 111,370</u>		

See Independent Auditor's Report.

**Lyon County, Kansas**

**Schedule 2f**

SPECIAL PURPOSE FUNDS  
JUVENILE COMMUNITY INITIATIVE GRANT

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	<b>2013</b>	<b>2014</b>		<b>Variance - Over (Under)</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	
<b>Cash receipts</b>				
Grant income	\$ 403,359	\$ 414,043	\$ 434,932	\$ (20,889)
Miscellaneous	174	348	0	348
Total cash receipts	<u>403,533</u>	<u>414,391</u>	<u>\$ 434,932</u>	<u>\$ (20,541)</u>
<b>Expenditures</b>				
<b>Current</b>				
Contractual	31,136	26,727	\$ 64,835	\$ (38,108)
Commodities	672	1,568	9,050	(7,482)
School resources	45,832	27,279	0	27,279
Juvenile intake	69,379	72,818	77,963	(5,145)
Juvenile intensive	152,779	154,987	139,944	15,043
Case mgmt	145,225	121,825	106,777	15,048
<b>Capital outlay</b>	<u>4,127</u>	<u>2,822</u>	<u>0</u>	<u>2,822</u>
Total expenditures	449,150	408,026	398,569	9,457
Adjustment for budget credits	<u>0</u>	<u>0</u>	<u>348</u>	<u>(348)</u>
Total expenditures and budget credits	<u>449,150</u>	<u>408,026</u>	<u>\$ 398,917</u>	<u>\$ 9,109</u>
Cash receipts over (under) expenditures	(45,617)	6,365		
Unencumbered cash, January 1	<u>41,779</u>	<u>(3,838)</u>		
Unencumbered cash, December 31	<u>\$ (3,838)</u>	<u>\$ 2,527</u>		

See Independent Auditor's Report.

**Lyon County, Kansas**

**Schedule 2g**

SPECIAL PURPOSE FUNDS  
MULTI-YEAR CAPITAL IMPROVEMENT

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		<b>2014</b>		
	<b>2013</b>			<b>Variance -</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Over</b>
				<b>(Under)</b>
<b>Cash receipts</b>				
Taxes	\$ 939,858	\$ 959,336	\$ 951,886	\$ 7,450
Sales Tax	0	1,323,327	1,340,000	(16,673)
Sale of fixed assets	39,101	60,718	0	60,718
Reimbursed expenses	27,856	119,305	60,717	58,588
Total cash receipts	<u>1,006,815</u>	<u>2,462,686</u>	<u>\$ 2,352,603</u>	<u>\$ 110,083</u>
<b>Expenditures</b>				
Capital outlay	<u>928,316</u>	<u>2,263,485</u>	<u>\$ 2,431,520</u>	<u>\$ (168,035)</u>
Total expenditures	<u>928,316</u>	<u>2,263,485</u>	<u>\$ 2,431,520</u>	<u>\$ (168,035)</u>
Cash receipts over (under) expenditures	78,499	199,201		
Prior year cancelled encumbrances	420	1,284		
Unencumbered cash, January 1	<u>37,778</u>	<u>116,697</u>		
Unencumbered cash, December 31	<u>\$ 116,697</u>	<u>\$ 317,182</u>		

See Independent Auditor's Report.

**Lyon County, Kansas**

**Schedule 2h**

**SPECIAL PURPOSE FUNDS  
CITIZENS REVIEW BOARD**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

**For the Year Ended December 31, 2014**

**(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)**

	<b>2013 Actual</b>	<b>2014</b>		<b>Variance - Over (Under)</b>
		<b>Actual</b>	<b>Budget</b>	
<b>Cash receipts</b>				
Grant income	\$ 14,078	\$ 16,213	\$ 13,400	\$ 2,813
Total cash receipts	14,078	16,213	\$ 13,400	\$ 2,813
<b>Expenditures</b>				
<b>Current</b>				
Salaries & employee benefits	9,777	10,255	\$ 11,000	\$ (745)
Contractual	1,056	1,523	4,500	(2,977)
Commodities	976	757	1,000	(243)
Total expenditures	11,809	12,535	\$ 16,500	\$ (3,965)
Cash receipts over (under) expenditures	2,269	3,678		
Unencumbered cash, January 1	6,465	8,734		
Unencumbered cash, December 31	\$ 8,734	\$ 12,412		

See Independent Auditor's Report.



**Lyon County, Kansas****Schedule 2i****SPECIAL PURPOSE FUNDS  
911 SERVICE****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		<b>2014</b>		
	<b>2013</b>			<b>Variance -</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Over</b>
				<b>(Under)</b>
<b>Cash receipts</b>				
Charges for service	\$ 0	\$ 0	\$ 0	\$ 0
<b>Expenditures</b>				
<b>Current</b>				
Contractual	13,763	9,659	\$ 25,000	\$ (15,341)
Commodities	0	0	1,200	(1,200)
<b>Capital outlay</b>	0	1,187	0	1,187
Contractual	13,763	10,846	\$ 26,200	\$ (15,354)
Cash receipts over (under) expenditures	(13,763)	(10,846)		
Unencumbered cash, January 1	66,265	52,502		
Unencumbered cash, December 31	\$ 52,502	\$ 41,656		

See Independent Auditor's Report.

**Lyon County, Kansas****Schedule 2i****SPECIAL PURPOSE FUNDS  
MENTAL HEALTH****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS****For the Year Ended December 31, 2014****(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)**

	<b>2013</b>	<b>2014</b>		<b>Variance - Over (Under)</b>
		<b>Actual</b>	<b>Budget</b>	
<b>Cash receipts</b>				
Taxes	\$ 273,960	\$ 322,264	\$ 317,006	\$ 5,258
<b>Expenditures</b>				
<b>Current</b>				
Appropriations	282,737	325,000	\$ 325,000	\$ 0
Cash receipts over (under) expenditures	(8,777)	(2,736)		
Unencumbered cash, January 1	25,240	16,463		
Unencumbered cash, December 31	\$ 16,463	\$ 13,727		

See Independent Auditor's Report.

**Lyon County, Kansas****Schedule 2k****SPECIAL PURPOSE FUNDS  
NEWMAN HOSPITAL****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS****For the Year Ended December 31, 2014****(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)**

		<b>2014</b>		<b>Variance -</b>
	<b>2013</b>	<b>Actual</b>	<b>Budget</b>	<b>Over</b>
	<b>Actual</b>			<b>(Under)</b>
<b>Cash receipts</b>				
Taxes	\$ 447,254	\$ 437,599	\$ 428,342	\$ 9,257
<b>Expenditures</b>				
<b>Current</b>				
Appropriations	425,000	425,000	\$ 425,000	\$ 0
Cash receipts over (under) expenditures	22,254	12,599		
Unencumbered cash, January 1	0	22,254		
Unencumbered cash, December 31	\$ 22,254	\$ 34,853		

See Independent Auditor's Report.

**Lyon County, Kansas**

**Schedule 21**

SPECIAL PURPOSE FUNDS  
NOXIOUS WEED

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	<b>2013 Actual</b>	<b>2014</b>		<b>Variance - Over (Under)</b>
		<b>Actual</b>	<b>Budget</b>	
<b>Cash receipts</b>				
Taxes	\$ 164,405	\$ 172,279	\$ 170,968	\$ 1,311
Reimbursements	172,894	195,637	149,000	46,637
Total cash receipts	337,299	367,916	\$ 319,968	\$ 47,948
<b>Expenditures</b>				
<b>Current</b>				
Salaries & employee benefits	114,409	114,645	\$ 126,395	\$ (11,750)
Contractual	6,580	6,990	11,600	(4,610)
Commodities	203,728	212,262	174,250	38,012
	0	650	0	650
Total expenditures	324,717	334,547	312,245	22,302
Adjustment for budget credits	0	0	46,637	(46,637)
Total expenditures and budget credits	324,717	334,547	\$ 358,882	\$ (24,335)
Cash receipts over (under) expenditures	12,582	33,369		
Unencumbered cash, January 1	3,894	16,476		
Unencumbered cash, December 31	\$ 16,476	\$ 49,845		

See Independent Auditor's Report.

**Lyon County, Kansas****Schedule 2m****SPECIAL PURPOSE FUNDS  
HETLINGER DEVELOPMENTAL CENTER****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS****For the Year Ended December 31, 2014****(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)**

	<b>2013 Actual</b>	<b>2014</b>		<b>Variance - Over (Under)</b>
		<b>Actual</b>	<b>Budget</b>	
<b>Cash receipts</b>				
Taxes	\$ 19,600	\$ 19,037	\$ 18,669	\$ 368
Transfers in	0	500	0	500
Total cash receipts	19,600	19,537	18,669	868
<b>Expenditures</b>				
<b>Current</b>				
Appropriations	20,000	20,000	\$ 20,000	\$ 0
Cash receipts over (under) expenditures	(400)	(463)		
Unencumbered cash, January 1	1,361	961		
Unencumbered cash, December 31	\$ 961	\$ 498		

See Independent Auditor's Report.

**Lyon County, Kansas**

**Schedule 2n**

**SPECIAL PURPOSE FUNDS  
SPECIAL BRIDGE**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

**For the Year Ended December 31, 2014**

**(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)**

		<b>2014</b>		
	<b>2013</b>			<b>Variance -</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Over</b>
				<b>(Under)</b>
<b>Cash receipts</b>				
Taxes	\$ 531,187	\$ 430,465	\$ 424,296	\$ 6,169
Reimbursed expenses	18,050	2,790	0	2,790
<b>Total cash receipts</b>	<u>549,237</u>	<u>433,255</u>	<u>\$ 424,296</u>	<u>\$ 8,959</u>
<b>Expenditures</b>				
<b>Current</b>				
Salaries & employee benefits	212,034	216,889	\$ 276,960	\$ (60,071)
Contractual	13,340	185,847	173,300	12,547
Commodities	370,988	213,925	220,459	(6,534)
Right of way damage	16,050	800	0	800
<b>Capital outlay</b>	<u>0</u>	<u>0</u>	<u>1,000</u>	<u>(1,000)</u>
<b>Total expenditures</b>	<u>612,412</u>	<u>617,461</u>	<u>\$ 671,719</u>	<u>\$ (54,258)</u>
Cash receipts over (under) expenditures	(63,175)	(184,206)		
Unencumbered cash, January 1	274,267	211,512		
Cancelled prior year encumbrances	<u>420</u>	<u>26,192</u>		
Unencumbered cash, December 31	<u>\$ 211,512</u>	<u>\$ 53,498</u>		

See Independent Auditor's Report.

**Lyon County, Kansas****Schedule 2o****SPECIAL PURPOSE FUNDS  
REGISTER OF DEEDS TECHNOLOGY****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS****For the Year Ended December 31, 2014****(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)**

	<b>2013 Actual</b>	<b>2014</b>		<b>Variance - Over (Under)</b>
		<b>Actual</b>	<b>Budget</b>	
<b>Cash receipts</b>				
Licenses, fees and permits	\$ 33,430	\$ 30,802	\$ 50,000	\$ (19,198)
Transfers in	0	17,000	0	17,000
Total cash receipts	33,430	47,802	50,000	(2,198)
<b>Expenditures</b>				
<b>Current</b>				
Contractual	41,132	39,389	\$ 26,000	\$ 13,389
Commodities	514	260	7,000	(6,740)
<b>Capital outlay</b>	7,384	0	17,000	(17,000)
Total expenditures	49,030	39,649	\$ 50,000	\$ (10,351)
Cash receipts over (under) expenditures	(15,600)	8,153		
Unencumbered cash, January 1	16,018	418		
Unencumbered cash, December 31	\$ 418	\$ 8,571		

See Independent Auditor's Report.

**Lyon County, Kansas**

**Schedule 2p**

**SPECIAL PURPOSE FUNDS  
COUNTY AUTO VEHICLE**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		<b>2014</b>		
	<b>2013</b>			<b>Variance -</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Over</b>
				<b>(Under)</b>
<b>Cash receipts</b>				
Fees	\$ 219,272	\$ 278,004	\$ 228,900	\$ 49,104
Miscellaneous	4,533	4,729	0	4,729
	<u>223,805</u>	<u>282,733</u>	<u>\$ 228,900</u>	<u>\$ 53,833</u>
<b>Expenditures</b>				
<b>Current</b>				
Salaries & employee benefits	241,536	201,010	\$ 207,538	\$ (6,528)
Contractual	736	2,603	3,100	(497)
Commodities	384	9,057	6,700	2,357
Capital outlay	0	3,047	0	3,047
Transfers out	0	0	20,000	(20,000)
	<u>242,656</u>	<u>215,717</u>	<u>\$ 237,338</u>	<u>\$ (21,621)</u>
Cash receipts over (under) expenditures	(18,851)	67,016		
Unencumbered cash, January 1	<u>(878)</u>	<u>(19,729)</u>		
Unencumbered cash, December 31	<u>\$ (19,729)</u>	<u>\$ 47,287</u>		

See Independent Auditor's Report.



**Lyon County, Kansas****Schedule 2q****SPECIAL PURPOSE FUNDS  
PROSECUTOR TRAINING****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		<b>2014</b>		
	<b>2013</b>			<b>Variance -</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Over</b>
				<b>(Under)</b>
<b>Cash receipts</b>				
Licenses, fees and permits	\$ 5,265	\$ 6,215	\$ 6,000	\$ 215
<b>Expenditures</b>				
<b>Current</b>				
Prosecutor training	6,086	5,910	\$ 6,000	\$ (90)
Cash receipts over (under) expenditures	(821)	305		
Unencumbered cash, January 1	9,456	8,635		
Unencumbered cash, December 31	\$ 8,635	\$ 8,940		

See Independent Auditor's Report.

**Lyon County, Kansas**

**Schedule 2r**

**SPECIAL PURPOSE FUNDS  
SPECIAL ROAD AND BRIDGE 559A**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

**For the Year Ended December 31, 2014**

**(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)**

		<b>2014</b>		
	<b>2013</b>			<b>Variance -</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Over</b>
				<b>(Under)</b>
<b>Cash receipts</b>				
Taxes	\$ 358,661	\$ 365,309	\$ 363,774	\$ 1,535
Reimbursed expenses	<u>1,652</u>	<u>1,384</u>	<u>0</u>	<u>1,384</u>
Total cash receipts	<u>360,313</u>	<u>366,693</u>	<u>\$ 363,774</u>	<u>\$ 2,919</u>
<b>Expenditures</b>				
<b>Current</b>				
Contractual	85	567	\$ 36,000	\$ (35,433)
Operating supplies	<u>337,349</u>	<u>342,359</u>	<u>310,000</u>	<u>32,359</u>
Total expenditures	<u>337,434</u>	<u>342,926</u>	<u>\$ 346,000</u>	<u>\$ (3,074)</u>
Cash receipts over (under) expenditures	22,879	23,767		
Unencumbered cash, January 1	<u>30,481</u>	<u>53,360</u>		
Unencumbered cash, December 31	<u>\$ 53,360</u>	<u>\$ 77,127</u>		

See Independent Auditor's Report.

**Lyon County, Kansas**

**Schedule 2s**

SPECIAL PURPOSE FUNDS  
TORT LIABILITY

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	2013 Actual	2014		Variance - Over (Under)
		Actual	Budget	
<b>Cash receipts</b>				
Taxes	\$ 180,504	\$ 191,342	\$ 190,341	\$ 1,001
Reimbursed expenses	1,485	864	1,000	(136)
Transfer in	0	104,000	45,000	59,000
Total cash receipts	<u>181,989</u>	<u>296,206</u>	<u>\$ 236,341</u>	<u>\$ 59,865</u>
<b>Expenditures</b>				
<b>Current</b>				
General liability insurance	213,712	218,012	\$ 235,000	\$ (16,988)
Transfer out	0	0	45,000	(45,000)
Total expenditures	<u>213,712</u>	<u>218,012</u>	<u>\$ 280,000</u>	<u>\$ (61,988)</u>
Cash receipts over (under) expenditures	(31,723)	78,194		
Unencumbered cash, January 1	<u>57,947</u>	<u>26,224</u>		
Unencumbered cash, December 31	<u>\$ 26,224</u>	<u>\$ 104,418</u>		

See Independent Auditor's Report.

**Lyon County, Kansas****Schedule 2t****SPECIAL PURPOSE FUNDS  
SPECIAL ALCOHOL****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		<u>2014</u>		<u>Variance -</u>
	<u>2013</u>	<u>Actual</u>	<u>Budget</u>	<u>Over</u>
	<u>Actual</u>			<u>(Under)</u>
<b>Cash receipts</b>				
<b>Intergovernmental</b>				
Liquor tax	\$ <u>1,701</u>	\$ <u>1,714</u>	\$ <u>2,000</u>	\$ <u>(286)</u>
<b>Expenditures</b>				
<b>Current</b>				
Contractual	<u>0</u>	<u>0</u>	\$ <u>15,000</u>	\$ <u>(15,000)</u>
Cash receipts over (under) expenditures	1,701	1,714		
Unencumbered cash, January 1	<u>19,258</u>	<u>20,959</u>		
Unencumbered cash, December 31	\$ <u>20,959</u>	\$ <u>22,673</u>		

See Independent Auditor's Report.

**Lyon County, Kansas****Schedule 2u****SPECIAL PURPOSE FUNDS  
SPECIAL PARKS****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		<b>2014</b>		<b>Variance -</b>
	<b>2013</b>	<b>Actual</b>	<b>Budget</b>	<b>Over</b>
	<b>Actual</b>			<b>(Under)</b>
<b>Cash receipts</b>				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
<b>Expenditures</b>				
<b>Current</b>				
Appropriations	0	0	\$ 4,533	\$ (4,533)
Cash receipts over (under) expenditures	0	0		
Unencumbered cash, January 1	4,533	4,533		
Unencumbered cash, December 31	\$ 4,533	\$ 4,533		

See Independent Auditor's Report.

**Lyon County, Kansas****Schedule 2v****SPECIAL PURPOSE FUNDS  
HEALTH DEPARTMENT****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		<b>2014</b>		<b>Variance -</b>
	<b>2013</b>	<b>Actual</b>	<b>Budget</b>	<b>Over</b>
	<b>Actual</b>			<b>(Under)</b>
<b>Cash receipts</b>				
Taxes	\$ 595,281	\$ 558,730	\$ 577,890	\$ (19,160)
Tranfers in	0	17,000	0	17,000
Total cash receipts	595,281	575,730	577,890	(2,160)
<b>Expenditures</b>				
<b>Current</b>				
Appropriation	608,833	580,000	580,000	0
Cash receipts over (under) expenditures	(13,552)	(4,270)		
Unencumbered cash, January 1	31,469	17,917		
Unencumbered cash, December 31	\$ 17,917	\$ 13,647		

See Independent Auditor's Report.

**Lyon County, Kansas****Schedule 2w****SPECIAL PURPOSE FUNDS  
SURVEILLANCE PROGRAM****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
REGULATORY BASIS  
For the Year Ended December 31, 2014  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)**

		<b>2014</b>		<b>Variance -</b>
	<b>2013</b>	<b>Actual</b>	<b>Budget</b>	<b>Over</b>
	<b>Actual</b>			<b>(Under)</b>
<b>Cash receipts</b>				
Transfers in	\$ 24,000	\$ 24,000	\$ 24,000	\$ 0
<b>Expenditures</b>				
<b>Current</b>				
Contractual	16,754	21,633	\$ 24,000	\$ (2,367)
Cash receipts over (under) expenditures	7,246	2,367		
Unencumbered cash, January 1	4,865	12,111		
Unencumbered cash, December 31	\$ 12,111	\$ 14,478		

See Independent Auditor's Report.

**Lyon County, Kansas****Schedule 2x****SPECIAL PURPOSE FUNDS  
DRUG TAX LAW ENFORCEMENT****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
REGULATORY BASIS**

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	<b><u>2013 Actual</u></b>	<b><u>2014 Actual</u></b>
<b>Cash receipts</b>		
Drug tax	\$ <u>0</u>	\$ <u>2,166</u>
<b>Expenditures</b>		
<b>Current</b>		
Contractual	122	168
Commodities	<u>620</u>	<u>293</u>
Total expenditures	<u>742</u>	<u>461</u>
Cash receipts over (under) expenditures	(742)	1,705
Unencumbered cash, January 1	<u>5,778</u>	<u>5,036</u>
Unencumbered cash, December 31	\$ <u><u>5,036</u></u>	\$ <u><u>6,741</u></u>

See Independent Auditor's Report.



**Lyon County, Kansas****Schedule 2y****SPECIAL PURPOSE FUNDS  
SPECIAL LAW ENFORCEMENT****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
REGULATORY BASIS**

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	<b>2013 Actual</b>	<b>2014 Actual</b>
<b>Cash receipts</b>		
Intergovernmental	\$ 13,476	\$ 12,546
Transfers in	4,007	0
Total cash receipts	<u>17,483</u>	<u>12,546</u>
<b>Expenditures</b>		
<b>Current</b>		
Contractual	3,712	756
Commodities	27,804	2,464
Capital outlay	<u>21,067</u>	<u>5,371</u>
Total expenditures	<u>52,583</u>	<u>8,591</u>
Cash receipts over (under) expenditures	(35,100)	3,955
Unencumbered cash, January 1	<u>56,245</u>	<u>21,145</u>
Unencumbered cash, December 31	<u>\$ 21,145</u>	<u>\$ 25,100</u>

See Independent Auditor's Report.

**Lyon County, Kansas****Schedule 2z****SPECIAL PURPOSE FUNDS  
SPECIAL PROSECUTOR FORFEITURE****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
REGULATORY BASIS****For the Year Ended December 31, 2014****(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)**

	<b><u>2013 Actual</u></b>	<b><u>2014 Actual</u></b>
<b>Cash receipts</b>		
Intergovernmental	\$ <u>2,819</u>	\$ <u>5,128</u>
<b>Expenditures</b>		
<b>Current</b>		
Contractual	<u>4,751</u>	<u>1,750</u>
Cash receipts over (under) expenditures	(1,932)	3,378
Unencumbered cash, January 1	<u>4,741</u>	<u>2,809</u>
Unencumbered cash, December 31	\$ <u><u>2,809</u></u>	\$ <u><u>6,187</u></u>

See Independent Auditor's Report.

**Lyon County, Kansas****Schedule 2aa****SPECIAL PURPOSE FUNDS  
DIVERSIONARY SERVICE FEES****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
REGULATORY BASIS**

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	<b><u>2013 Actual</u></b>	<b><u>2014 Actual</u></b>
<b>Cash receipts</b>		
Intergovernmental	\$ <u>82,158</u>	\$ <u>75,733</u>
<b>Expenditures</b>		
<b>Current</b>		
Contractual	44,032	58,254
Commodities	5,349	4,745
Other	4,882	2,852
Capital outlay	8,474	0
Transfer out	<u>24,000</u>	<u>24,000</u>
Total expenditures	<u>86,737</u>	<u>89,851</u>
Cash receipts over (under) expenditures	(4,579)	(14,118)
Unencumbered cash, January 1	<u>62,513</u>	<u>57,934</u>
Unencumbered cash, December 31	<u><u>\$ 57,934</u></u>	<u><u>\$ 43,816</u></u>

See Independent Auditor's Report.

**Lyon County, Kansas**

**Schedule 2bb**

**SPECIAL PURPOSE FUNDS  
WORTHLESS CHECKS**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
REGULATORY BASIS**

**For the Year Ended December 31, 2014**

**(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)**

	<b><u>2013 Actual</u></b>	<b><u>2014 Actual</u></b>
<b>Cash receipts</b>		
Intergovernmental	\$ 25	\$ 10
<b>Expenditures</b>		
<b>Current</b>		
Commodities	<u>0</u>	<u>0</u>
Cash receipts over (under) expenditures	25	10
Unencumbered cash, January 1	<u>705</u>	<u>730</u>
Unencumbered cash, December 31	<u><u>\$ 730</u></u>	<u><u>\$ 740</u></u>

See Independent Auditor's Report.

**Lyon County, Kansas****Schedule 2cc****SPECIAL PURPOSE FUNDS  
FEDERAL FORFEITURE****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
REGULATORY BASIS**

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	<b><u>2013 Actual</u></b>	<b><u>2014 Actual</u></b>
<b>Cash receipts</b>		
Intergovernmental	\$ 1,000	\$ 0
Interest on idle funds	<u>6</u>	<u>2</u>
Total receipts	<u>1,006</u>	<u>2</u>
<b>Expenditures</b>		
<b>Current</b>		
Capital outlay	9,000	2,963
Other	1,650	1,400
Transfers out	<u>4,007</u>	<u>0</u>
Total expenditures	<u>14,657</u>	<u>4,363</u>
Cash receipts over (under) expenditures	(13,651)	(4,361)
Unencumbered cash, January 1	<u>46,127</u>	<u>32,476</u>
Unencumbered cash, December 31	<u><u>\$ 32,476</u></u>	<u><u>\$ 28,115</u></u>

See Independent Auditor's Report.

**Lyon County, Kansas**

**Schedule 2dd**

**BOND & INTEREST FUNDS  
G.O. BOND AND INTEREST**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

**For the Year Ended December 31, 2014**

**(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)**

	<b>2013 Actual</b>	<b>2013 Actual</b>
<b>Cash receipts</b>		
Taxes	\$ 0	\$ 0
Transfers in	0	0
Total cash receipts	0	0
<b>Expenditures</b>		
Transfers out	0	22
Cash receipts over (under) expenditures	0	(22)
Unencumbered cash, January 1	22	22
Unencumbered cash, December 31	\$ 22	\$ 0

See Independent Auditor's Report.

**Lyon County, Kansas****Schedule 3****AGENCY FUNDS****SUMMARY OF RECEIPTS AND DISBURSEMENTS  
REGULATORY BASIS**

For the Year Ended December 31, 2014

<b>Fund</b>	<b>Beginning Cash Balance</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Ending Cash Balance</b>
Oil and gas depletion trust	\$ 90,532	\$ 3	\$ 0	\$ 90,535
Recreation districts	1,980	12,308	12,292	1,996
No fund warrants	4	0	4	0
Bankruptcy	2,334	1,256	3,330	260
Capital projects	20,624,805	48,007,123	45,601,439	23,030,489
Debt service funds	5	0	5	0
State funds	9,344	449,154	449,118	9,380
City funds	0	7,534,674	7,534,674	0
Unified School Districts	0	16,281,508	16,281,508	0
Townships funds	0	165,536	165,536	0
Watersheds	0	139,194	139,108	86
Fire districts	22,608	380,317	375,006	27,919
Cemetery funds	0	1,284	1,284	0
County library	26,439	109,648	128,672	7,415
Courthouse employee benefit	1,586	460	663	1,383
District court	56,833	1,766,293	1,763,133	59,993
Law library	124,100	45,502	53,720	115,882
Detention center	94,895	410,220	401,891	103,224
<b>Total agency funds</b>	<b>\$ 21,055,465</b>	<b>\$ 75,304,480</b>	<b>\$ 72,911,383</b>	<b>\$ 23,448,562</b>

See Independent Auditor's Report.

**Lyon County, Kansas****Schedule 4****RELATED MUNICIPAL ENTITY  
LYON COUNTY FREE FAIR****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
REGULATORY BASIS**

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	<b>2013 Actual</b>	<b>2014 Actual</b>
<b>Cash receipts</b>		
Intergovernmental	\$ 53,000	\$ 55,000
Charges for services	213,287	271,054
Investment revenue	163	138
Miscellaneous	<u>5,761</u>	<u>34,330</u>
Total cash receipts	<u>272,211</u>	<u>360,522</u>
<b>Expenditures</b>		
<b>Current</b>		
Culture and recreation	<u>242,284</u>	<u>330,133</u>
Cash receipts over (under) expenditures	29,927	30,389
Unencumbered cash, January 1	<u>115,556</u>	<u>145,483</u>
Unencumbered cash, December 31	<u>\$ 145,483</u>	<u>\$ 175,872</u>

See Independent Auditor's Report.



**Lyon County, Kansas****Schedule 4****RELATED MUNICIPAL ENTITY  
LYON COUNTY EXTENSION COUNCIL****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	<b>2013 Actual</b>	<b>2014 Actual</b>
<b>Cash receipts</b>		
County appropriation	\$ 263,900	\$ 263,900
KSU salary reimbursement	56,812	63,608
Reimbursable transactions	36,269	36,981
Miscellaneous	618	48
	<u>357,599</u>	<u>364,537</u>
<b>Total cash receipts</b>		
	<u>357,599</u>	<u>364,537</u>
<b>Expenditures</b>		
<b>Current</b>		
Printing, audit, treasurer bond and liability insurance	8,001	6,393
Telephone	2,836	2,550
Rent, heat and lights	8,061	8,834
Supplies, stationery and postage	4,154	4,338
Equipment	5,887	7,301
Other	6,380	3,960
Travel	7,956	7,481
Subsistence	1,952	1,336
Salaries and wages	199,811	225,404
Employee benefits	35,152	40,715
Reimbursable transactions	28,739	34,344
	<u>308,929</u>	<u>342,656</u>
<b>Total expenditures</b>		
	<u>308,929</u>	<u>342,656</u>
<b>Cash receipts over (under) expenditures</b>	48,670	21,881
<b>Unencumbered cash, January 1</b>	<u>125,520</u>	<u>174,190</u>
<b>Unencumbered cash, December 31</b>	<u>\$ 174,190</u>	<u>\$ 196,071</u>

See Independent Auditor's Report.

**Lyon County, Kansas**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Year ended December 31, 2014

Federal Grant Pass Through Grantor/ Program Title	<u>Federal CFDA Number</u>	<u>Pass- Through Grantor's Number</u>	<u>Receipts</u>	<u>Expenditures</u>
<b><u>U.S. Department of Commerce</u></b>				
<b><u>Pass Through Kansas Department of Commerce</u></b>				
Community development block grant	14.228	N/A	\$ 344,879	\$ 344,879
<b><u>U.S. Department of Justice</u></b>				
<b><u>Pass Through Kansas Department of Corrections</u></b>				
Juvenile justice and delinquency prevention - allocation to states	16.540	N/A	38,246	38,246
<b><u>U.S. Environmental Protection Agency</u></b>				
<b><u>Pass Through Kansas Department of Administration</u></b>				
Federal flood control - fy 2013	66.xxx	N/A	312	312
<b><u>U.S. Department of Transportation</u></b>				
<b><u>Pass Through Kansas Department of Transportation</u></b>				
State and community highway safety	20.600	N/A	121,099	121,099
<b><u>U.S. Department of Homeland Security</u></b>				
<b><u>Pass Through Kansas Division of Emergency Management</u></b>				
Public Assistance Grants	97.036	N/A	<u>272,308</u>	<u>272,308</u>
TOTAL RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS			\$ <u><u>776,844</u></u>	\$ <u><u>776,844</u></u>

## **Lyon County, Kansas**

### **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS** **For the year ended December 31, 2014**

#### **NOTE A. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of the County under programs of the federal government for the year ended December 31, 2014. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a select portion of the operations of the County, it is not intended to and does not present the summary of receipts, expenditures and unencumbered cash of the County.

#### **NOTE B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported in the Schedule of Expenditures of Federal awards are reported on the regulatory basis of accounting as described in the *Kansas Municipal Audit and Accounting Guide* (KMAAG).

#### **NOTE C. SUBRECIPIENTS**

The County did provide federal awards to subrecipients for the year ended December 31, 2014 in the amount of \$344,879

## **SPECIAL REPORTS**

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

County Commissioners  
Lyon County, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statement of Lyon County, Kansas as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise Lyon County's regulatory basis financial statements, and have issued our report thereon dated May 29, 2015. The County prepares its financial statement on a regulatory basis of accounting which demonstrates compliance with the *Kansas Municipal Audit and Accounting Guide*, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered Lyon County's internal control over financial reporting (internal controls) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of Lyon County's internal control. Accordingly, we do not express an opinion on the effectiveness of Lyon County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that material misstatements of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose describe in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Lyon County's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Lyon County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Agler & Gaeddert, Chartered*

Ottawa, Kansas  
May 29, 2015



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

County Commissioners  
Lyon County, Kansas

**Report on Compliance for Each Major Federal Program**

We have audited Lyon County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Lyon County's major federal programs for the year ended December 31, 2014. Lyon County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Lyon County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Lyon County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Lyon County's compliance.

**Opinion on Each Major Federal Program**

In our opinion, Lyon County complied in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

**Report Internal Control over Compliance**

Management of Lyon County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Lyon County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with *OMB Circular A-133*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Lyon County's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based upon requirements of *OMB Circular A-133*. Accordingly, this report is not suitable for any other purpose.

*Cyber & Sheddert, Chartered*

Ottawa, Kansas  
May 29, 2015

**Lyon County, Kansas**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
Year ended December 31, 2014

**SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiencies identified not considered to be material weaknesses: None reported

Noncompliance material to financial statements noted? No

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiencies identified not considered to be material weaknesses: None reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section .510(a)? No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>	<u>Amount</u>
14.288	Public Assistance Grants	\$ 344,879

Dollar threshold used to distinguish between Type A and Type B programs \$ 300,000

Auditee qualified as a low-risk auditee? No